46th Annual Report 1959

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MELVILLE SHOE CORPORATION

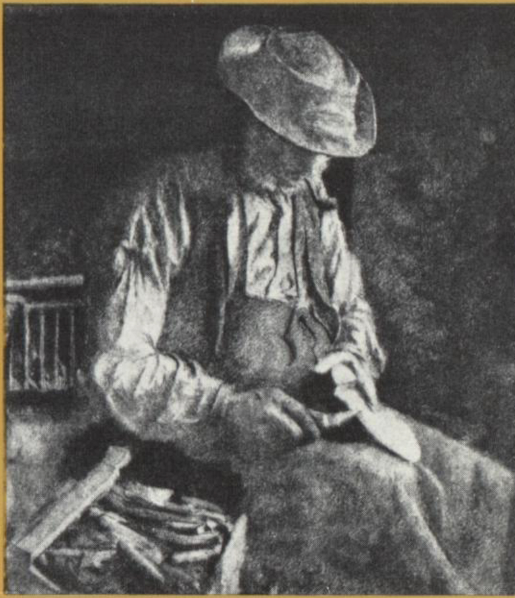
* *Annual Meeting of Stockholders will be held at the Executive Offices in New York on April 12th, 1960*

1959 Annual Report

MELVILLE SHOE CORPORATION

Executive Offices:
25 WEST 43RD STREET, NEW YORK 36, N. Y.

Accounting and General Offices:
44 HAMMOND STREET, WORCESTER 10, MASS.



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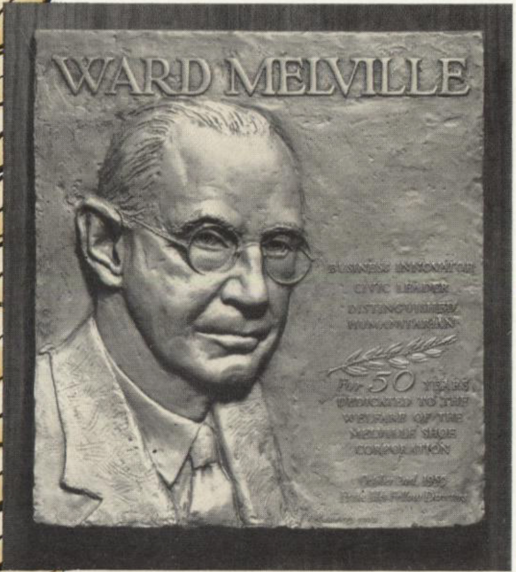
Counsel: DAVIS POLK WARDWELL SUNDERLAND & KIENDL
Auditors: PEAT, MARWICK, MITCHELL & CO.
Transfer Agent: IRVING TRUST COMPANY, *1 Wall Street, New York 15, N. Y.*
Registrar: FIRST NATIONAL CITY TRUST CO., *2 Broadway, New York 15, N. Y.*


WARD MELVILLE
BUSINESS INNOVATOR
CIVIC LEADER
DISTINGUISHED HUMANITARIAN
For 50 YEARS DEDICATED TO THE WELFARE OF THE MELVILLE SHOE CORPORATION
October 2nd, 1959
From His Fellow Directors

50th Anniversary—

WARD MELVILLE, *Chairman of the Board of Melville Shoe Corporation and son of the founder, celebrated his fiftieth year of service with the company on October 2, 1959.*

Mr. Melville started as a wrapper in a John Ward store after graduation from Columbia in 1909. He introduced many innovations in merchandising which have been of great value to the continuing success of the company—innovations which set patterns for all retailing.

During a testimonial banquet in October, Mr. Melville was feted by business, community and philanthropic associates. On this occasion he announced creation of the "Ward Melville Gold Medal for Community Improvement" to be awarded annually, starting in 1960, to the community in the United States accomplishing the greatest improvement.

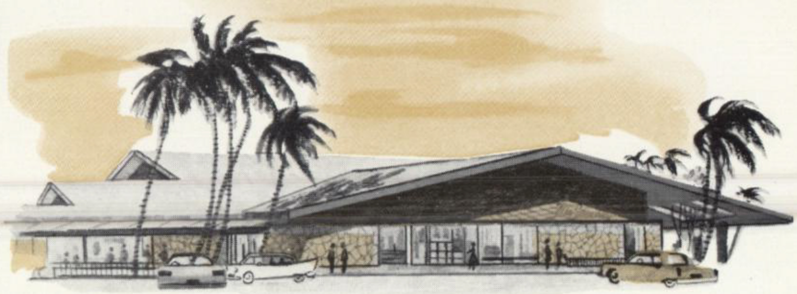
This Gold Medal is an outgrowth of the restoration of the 1800 charm of the Melville home town of Stony Brook. "Long Island's Little Williamsburg" is one of Ward Melville's most cherished activities, second only to the Melville Shoe Corporation.

In 1940 Stony Brook looked like many another run-down village but now due to the dreams, activity and creative interest of both Mr. and Mrs. Melville it has been rebuilt in Early Republic architecture. Stony Brook today is not only a model of charm and graciousness but a thriving community, economically alive.

As a result of the many inquiries from public-spirited citizens all over the country wishing to model similar projects on Stony Brook the Gold Medal was born. Mr. Melville firmly believes that one of the challenges facing American businessmen today is the assumption of leadership in restoring the economic, cultural and esthetic values of the nation's communities.

Both the company and Stony Brook are living examples of Ward Melville's personal philosophy: "Do what comes before you and do your best, and rewarding results will follow!"

50th State—Hawaiian Islands
... a new Thom McAn Store

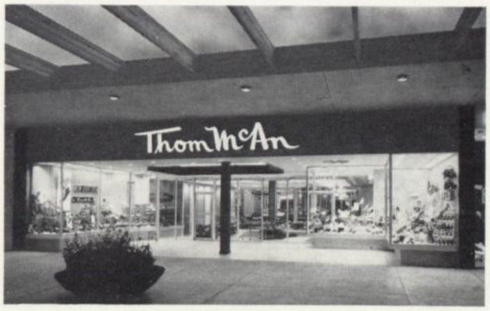


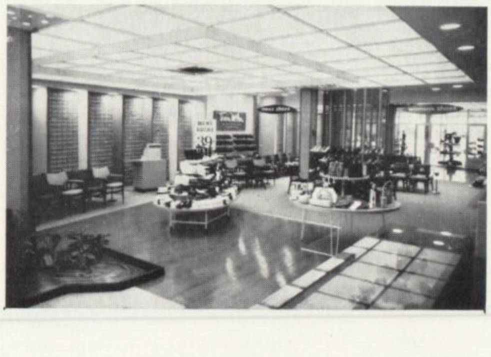
The year 1959 witnessed the admission of Hawaii as the 50th State of the Union and the opening of the Melville family of corporations' first store located outside of the continental United States. This Thom McAn store was opened on October 29th in the magnificent new Ala Moana Shopping Center, midway between Honolulu and Waikiki on the island of Oahu.

The upper level of this new Thom McAn store is light and spacious and affords customers an excellent view of the lush Hawaiian vegetation and the Pacific Ocean through the front windows. As a matter of fact, sliding glass permits the tropical outdoors to become a basic part of the store itself.

Planned as an integral unit in our constant expansion program, the new Ala Moana store symbolizes the continual effort to be aware of modern merchandising trends and developments, and points up dramatically how provision is being made now to capitalize on the coming population explosion of the late 60's.

We welcome both the new state as a full fledged member of our national family and the Ala Moana store, of the Melville family.





Directors and Officers of Melville Shoe Corporation

MSC

Executive Committee:

MURRAY M. ROSENBERG, *Chairman*
FREDERIC ATTWOOD
ROBERT C. ERB
FRANCIS H. GLEASON
DAVID W. HERRMANN
WARD MELVILLE
JOSEPH L. MERRILL

Officers:

WARD MELVILLE, *Chairman of the Board*
ROBERT C. ERB, *President*
DAVID W. HERRMANN, *Executive Vice-President*
JOSEPH L. MERRILL, *Vice-President, Finance*

- *Vice-Presidents*

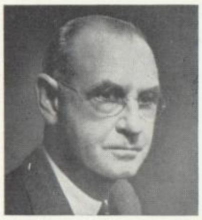
LESTER R. FALLON
FRANCIS H. GLEASON
WILLIAM H. MUCKLEY
SPENCER D. OETTINGER
FRANCIS C. ROONEY, JR.
J. FREDERICK ROSSELL
LEONARD A. SHEA
LAFAYETTE A. TREMBLAY
J. BRENT WELLS

H. ALBERT BRODIN, *Treasurer & Assistant Secretary*
DAVID B. MELVILLE, *Secretary*
FRANK SOKOL, *Controller & Assistant Treasurer*

- *Assistant Secretaries*

RANDALL D. ESTEN
BERTHA K. SMITH
HAROLD R. WICKHAM

DIRECTORS


Ward Melville

Robert C. Erb

Frederic Attwood

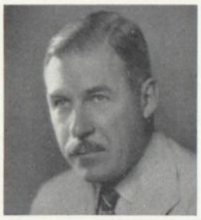
David W. Herrmann

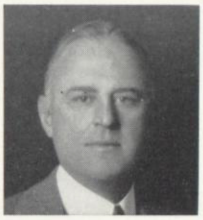
Seward M. Paterson

Lester R. Fallon

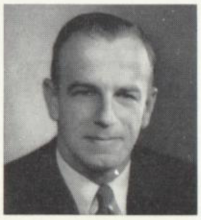
David B. Melville

Francis C. Rooney, Jr.


Joel E. Fisher


Joseph L. Merrill

Murray M. Rosenberg


Francis H. Gleason

Spencer D. Oettinger

J. Brent Wells

To the Shareholders of Melville Shoe Corporation

Highlights of the comparative operating results of the company for the years 1959 and 1958 are contained on the page directly opposite this letter. More detailed comparative financial information follows on the pages immediately thereafter.

Melville Shoe Corporation, and the shoe industry as a whole, enjoyed a year of increased sales in 1959. The company's volume of sales in 1959, for the second successive year, was the highest in Melville history.

Per share earnings on the common stock were $2.02 in 1959, compared with $1.80 in 1958.

The quarterly dividend on the common stock was increased from 32½¢ to 37½¢ per share on October 2, 1959, placing the common shares on a $1.50 annual dividend basis. Dividends have been paid on the common stock consecutively for 44 years. Regular quarterly dividends were paid on the two classes of preferred stock in 1959.

Management is working out a program for long-term borrowing to supplement our present resources. This addition to our working capital would be used to repay currently-outstanding seasonal bank loans and is needed to fulfill our expansion plans.

We wish to thank our co-workers in retail stores, factories, warehouses and offices for their continued enthusiasm and loyalty during the year. Their cooperation is a major factor in the accomplishment of increased sales and improved earnings. We also express gratitude to our shareholders for suggestions received from them during the year. We hope they will continue to visit our stores all over the country and inspect our modern merchandising facilities.

Respectfully submitted,

Ward Melville
CHAIRMAN OF THE BOARD

Robert C. Erb
PRESIDENT

March 18, 1960

HIGHLIGHTS

	1959	1958	Percent Change
Sales:			
Store	$145,279,253	$129,066,540	+12.6
Other	42,594,071	42,024,288	+ 1.4
Total Sales	187,873,324	171,090,828	+ 9.8
Net Sales	151,709,758	136,436,124	+11.2
Earnings before Federal Taxes	11,308,138	10,285,639	+ 9.9
Net Earnings:	6,287,138	5,680,639	+10.7
as percent of Total Sales	3.35%	3.32%	
as percent of Net Sales	4.14%	4.16%	
Earnings Per Share of Common Stock	2.02	1.80	+12.2
Taxes – Federal, State and Local	8,038,089	7,144,855	+12.5
Taxes – Per Share of Common Stock	2.88	2.56	+12.5
Dividends on Common Stock	3,767,183	4,325,239	–12.9
Dividends Per Share of Common Stock	1.35	1.55	–12.9
Wages and Compensation	36,446,631	35,003,184	+ 4.1
Cash	9,552,419	9,859,585	– 3.1
Inventories	25,341,940	22,890,260	+10.7
Total Current Assets	38,223,165	35,252,259	+ 8.4
Total Current Liabilities	13,357,421	12,260,359	+ 8.9
Net Working Capital	24,865,744	22,991,900	+ 8.2
Ratio of Working Capital	2.86:1	2.88:1	– 0.7
Capital Additions and Improvements	3,688,271	3,548,572	+ 3.9
Depreciation	3,267,250	3,082,265	+ 6.0
Property, Plant, Equipment at Cost	34,632,531	32,210,276	+ 7.5
Property, Plant, Equipment and Leasehold Improvements, Net	12,266,627	12,256,146	+ 0.1
Total Shareholders' Equity	36,828,770	35,460,983	+ 3.9
Number of Stores	1,110	1,053	+ 5.4
Number of Employees	8,727	8,315	+ 5.0

Number of Shareholders: Approximately 21,000

MELVILLE SHOE CORPORATION

STATEMENT OF CONSOLIDATED FINANCIAL

ASSETS

	1959	1958
Current assets:		
Cash (note 8)	$ 9,552,419	$ 9,859,585
Accounts receivable, less provision for possible losses	1,049,753	1,177,712
Inventories (note 1)	25,341,940	22,890,260
Prepaid expenses	1,189,217	1,324,702
Land and buildings under construction, at cost, covered by agreements for sale and leaseback	1,089,836	–
Total current assets	38,223,165	35,252,259
Investment in and advances to nonconsolidated subsidiary (note 2)	474,000	624,000
Note receivable	–	240,000
Property, plant, equipment and leasehold improvements, at cost	34,632,531	32,210,276
Less accumulated depreciation and amortization	22,365,904	19,954,130
	12,266,627	12,256,146
	$ 50,963,792	$ 48,372,405

See accompanying notes to financial statements.

and subsidiary companies

CONDITION AS OF DECEMBER 31, 1959 WITH COMPARATIVE FIGURES FOR 1958

LIABILITIES

	1959	*1958*
Current liabilities:		
Accounts payable and accrued expenses	$ 9,191,699	$ 7,904,441
Federal taxes on income	4,165,722	4,355,918
Total current liabilities	13,357,421	12,260,359
Provision for retirement payments (note 3)	777,601	651,063
Shareholders' equity:		
Capital (note 7):		
Preferred stock:		
Series A, $4.75 dividend	2,030,000	2,030,000
Series B, $4.00 dividend	13,952,300	13,952,300
Common stock (note 4)	11,905,813	11,905,813
	27,888,113	27,888,113
Retained earnings at end of year	9,444,064	7,573,252
	37,332,177	35,461,365
Less cost of preferred shares held in treasury (note 8)	503,407	382
Total shareholders' equity	36,828,770	35,460,983
	$ 50,963,792	$ 48,372,405

Commitments and contingent liabilities (notes 2, 3 and 6).

MELVILLE SHOE CORPORATION *and subsidiary companies*

Statement of Consolidated Earnings and Retained Earnings. Year ended December 31, 1959 with comparative figures for 1958

	1959	*1958*
Sales:		
Stores	$145,279,253	$129,066,540
Factories and warehouse	42,594,071	42,024,288
Total Sales	187,873,324	171,090,828
Less inter-division sales	36,163,566	34,654,704
Net sales	151,709,758	136,436,124
Cost of sales and store operating, selling, general and administrative expenses (exclusive of following deductions)	136,511,991	122,494,009
	15,197,767	13,942,115
Deduct:		
Depreciation and amortization (note 5)	3,267,250	3,082,265
Employees' retirement plans (note 3)	424,285	478,914
Other charges – net	198,094	95,297
	3,889,629	3,656,476
Earnings before Federal Taxes	11,308,138	10,285,639
Provision for Federal income taxes	5,021,000	4,605,000
Net earnings (note 5)	6,287,138	5,680,639
Retained earnings at beginning of year	7,573,252	6,873,030
	13,860,390	12,553,669
Deduct cash dividends paid:		
Preferred stock, Series A, $4.75 a share	93,111	97,086
Preferred stock, Series B, $4.00 a share	556,032	558,092
Common stock, $1.35 a share; 1958, $1.55 a share	3,767,183	4,325,239
	4,416,326	4,980,417
Retained earnings at end of year	$ 9,444,064	$ 7,573,252

See accompanying notes to financial statements.

Notes to Financial Statements

1. Approximately 25% of the consolidated inventories are valued at last-in, first-out (Lifo) cost, which is substantially below market. The remaining portion of inventories are valued at the lower of cost or market, based mainly on the retail inventory method.

2. The consolidated financial statements include the accounts of the company and its subsidiaries, except for a partially-owned real estate subsidiary; the net assets of such subsidiary at December 31, 1959, based on unaudited financial statements, exceed the investment in and advances to the non-consolidated subsidiary by approximately $160,000. Melville Shoe Corporation owns all of the outstanding common stock of the subsidiary, and there is outstanding and held by others 150 shares ($15,000) of 3¾% voting preferred stock, constituting 37½% of the voting control. This subsidiary owns a warehouse and office building, approximately 50% of which is rented by Miles Shoes. Melville Shoe Corporation has unconditionally guaranteed the payment of a 3½% note payable by the subsidiary amounting to $2,710,000 at December 31, 1959; the note is payable in quarterly installments ranging from $18,000 to $47,000 and matures in 1984.

3. The Company has an unfunded pension plan for its factory employees. This plan is part of two union agreements effective until March 31, 1961 and thereafter subject to automatic renewal annually unless notice is given by either party.

The Company is making annual provision sufficient during the period ending December 31, 1961 to cover pensions for life to factory employees expected to retire during the period. Based on a recent actuarial report the liability for such pensions as of December 31, 1961 is estimated at $1,100,000 (net of Federal income taxes) of which $833,750 has been provided in the accounts.

The Employees' Retirement Plan effective January 1, 1943 is a contributory plan for certain employees which became fully funded in 1954 under an amended method of computing the actuarial liability adopted at that time. On the basis of actuarial reports no employer contributions were required since that time, and none will be required in 1960.

There are two non-contributory pension plans for the non-union employees in Miles Shoes. With respect to the 1955 plan for store employees, reserves (net of Federal income taxes) sufficient to cover pensions for life at the time of retirement of each employee will be provided. To date, one employee has retired under this plan. With respect to the plan for non-store employees, which became effective January 1, 1957, $35,500 (net of Federal income taxes) will be provided by December 31, 1962, to cover pensions for life for seven employees expected to retire during the five-year period.

4. Under the Company's restricted stock option plan, options were granted in 1956 to two officers to purchase 10,000 shares each of common stock of the Company at a price of $31⅜ per share, which was the market value on the date the options were granted. Each of the options, which expire on the earlier of March 31, 1966, or within three months after the termination of employment, are exercisable, cumulatively, at the rate of 2,000 shares per year. None of the options was exercised.

5. Depreciation of property, plant and equipment is provided for book purposes on the straight-line method at rates which are sufficient to write off the assets over the period of their estimated useful lives. In computing the provision for depreciation for Federal taxes on income, an accelerated method of depreciation, as provided for under the Internal Revenue Code of 1954, is used. If the same amount of depreciation charged to earnings had been claimed for tax purposes, the provision for taxes in 1959 would have been increased by approximately $123,000. This amount is considered to be not material.

6. At December 31, 1959, the total minimum annual rentals, payable under leases expiring after five years, was approximately $5,125,000. Leases covering about 78% of this amount expire on various dates within the next 15 years.

During the year 1959, store properties having a net book value of approximately $2,925,000 were sold at a profit of approximately $55,000 (after taxes) and leased back on a long-term basis, with options to renew. The minimum annual rentals under these leases are included in the information in the paragraph above.

7. Capital stock consists of the following:

Cumulative preferred stock, par value $100 a share, issuable in series:	
Authorized, 248,800 shares.	
Issued:	
Series A, $4.75 dividend (redeemable at $100 plus accrued dividends), authorized and issued, 20,300 shares (including 2,953 shares in treasury)	$ 2,030,000
Series B, $4.00 dividend (redeemable from $103 after December 1, 1960 to $100 after December 1, 1966, plus accrued dividends in each case), authorized and issued, 139,523 shares (including 2,840 shares in treasury)	13,952,300
	15,982,300
Common stock, par value $1 a share:	
Authorized, 3,500,000 shares; issued and outstanding, 2,790,458 shares	11,905,813
	$27,888,113

Common stock includes additional capital amounting to $9,066,897, which arose from conversion of 4% preferred shares into shares of common stock prior to redemption of the 4% preferred issue in February, 1950 and is included in common stock capital in accordance with statutory requirements. Capital surplus of $48,458 arising from purchases at less than par value and subsequent retirement of shares of Series A preferred stock and of certain shares of Miles Shoes Incorporated is also included in the common stock account.

8. The Company is required to set aside annually maximum amounts of $43,000 and $279,000 as sinking funds to purchase for retirement shares of Series A and Series B Preferred Stock, respectively, at prices not exceeding $100 per share. Any balance not so applied within one year shall be returned to the general funds of the Company. At December 31, 1959, the unexpended cash in sinking funds amounted to $275,805 and is included in the cash account. Shares purchased and held for retirement under provision of the sinking funds are included in treasury stock until such time as they are retired; additional shares purchased in excess of sinking fund provisions are also included in treasury stock.

PEAT, MARWICK, MITCHELL & CO.
ACCOUNTANTS AND AUDITORS
SEVENTY PINE STREET
NEW YORK 5, N. Y.

Accountants' Report

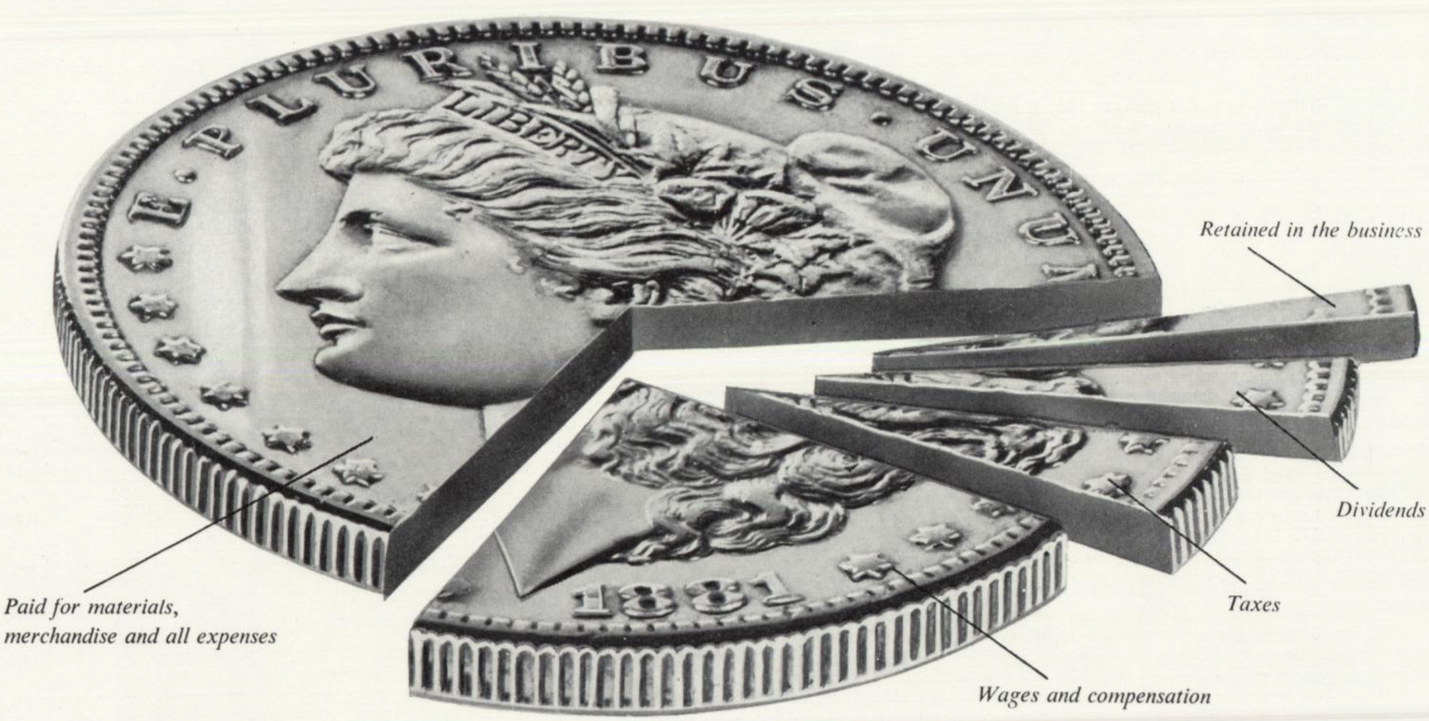
To the Board of Directors and Shareholders of Melville Shoe Corporation:

We have examined the statement of consolidated financial condition of Melville Shoe Corporation and subsidiary companies as of December 31, 1959 and the related statement of consolidated earnings and retained earnings for the year then ended. Our examination, which included all divisions and companies except the Miles Shoes division and related subsidiaries (which are of major importance), was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As regards the Miles Shoes division and related subsidiaries, the accounts of which are incorporated in the accompanying consolidated financial statements, we have been furnished with the report of S. D. Leidesdorf & Co., Certified Public Accountants.

In our opinion, based on our examination and on the report referred to in the paragraph above, the accompanying statement of consolidated financial condition and statement of consolidated earnings and retained earnings present fairly the financial position of Melville Shoe Corporation and subsidiary companies at December 31, 1959 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

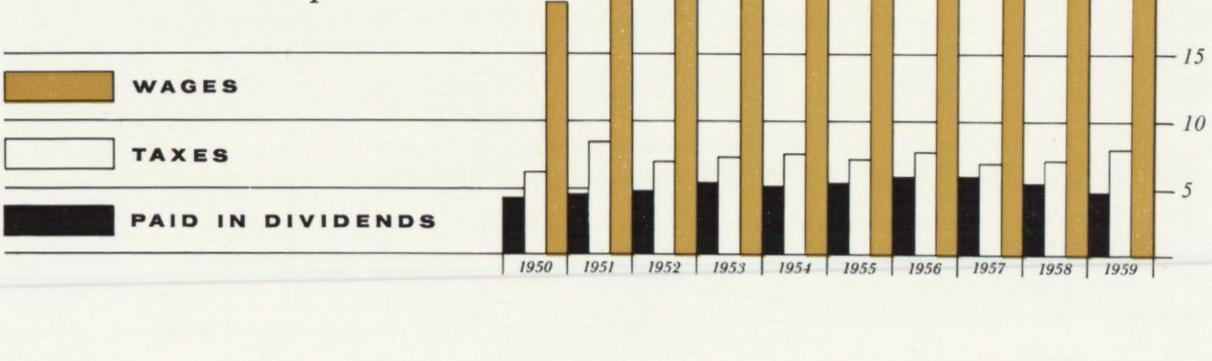
New York, N. Y., March 3, 1960


Retained in the business
Dividends
Taxes
Wages and compensation
Paid for materials, merchandise and all expenses

DISTRIBUTION OF SALES REVENUE

	1959	1958
Received from the sale of products	$151,709,758	$136,436,124
Paid for materials, merchandise and all expenses, exclusive of taxes and other amounts paid to or for the benefit of employees	100,937,900	88,607,446
Remainder	50,771,858	47,828,678
This was divided as follows:		
Wages and compensation	36,446,631	35,003,184
Taxes	8,038,089	7,144,855
Paid to shareholders or retained in the business	6,287,138	5,680,639

In 1959 after payment for materials, merchandise, taxes and other necessary expenses, 72% of the balance went to 8,727 employees and 12% was paid to the 21,000 shareholders or retained in the business to provide for expansion.



STATISTICAL RECORD *of Melville Shoe Corporation and Subsidiaries*

Year	Stores at Year-end	Store Sales	Factory and Warehouse Sales	Total Sales	Net Sales	Wages and Compensation	Taxes-All	Earnings before Federal Income and Excess Profits Taxes	Earnings After Taxes	Dividends Paid
1959	1,110	$145,279,253	$42,594,071	$187,873,324	$151,709,758	$36,446,631	$8,038,089	$11,308,138	$6,287,138	$4,416,326
1958	1,053	129,066,540	42,024,288	171,090,828	136,436,124	35,003,184	7,144,855	10,285,639	5,680,639	4,980,417
1957	1,018	122,076,438	44,381,086	166,457,524	130,355,538	34,316,681	6,961,474	10,400,076	5,847,076	5,681,063
1956	947	115,987,762	48,164,148	164,151,910	126,124,405	32,750,903	7,644,654	11,504,253	6,112,253	5,682,546
1955	886	106,721,861	44,391,068	151,112,929	114,495,706	29,774,594	7,510,863	11,241,329*	5,885,692*	5,124,946
1954	834	100,839,255	42,510,630	143,349,885	107,866,310	27,608,280	7,141,003	11,224,952	5,979,952	5,124,946
1953	794	99,551,584	45,613,054	145,164,638	108,870,972	27,327,473	6,962,746	10,933,798	5,732,798	5,124,943
1952	739	77,362,760	47,104,106	124,466,866	90,384,955	23,584,510	6,631,069	9,780,990	4,712,710	4,449,190
1951	577	71,075,477	54,847,259	125,922,736	92,740,699	21,052,294	7,228,010	10,456,529	4,669,369	4,212,803
1950	560	70,886,795	42,978,136	113,864,931	77,080,780	18,924,759	5,653,838	9,630,686	5,188,836	4,213,027
1949	560	71,864,212	43,292,986	115,157,198	78,028,920	19,258,854	4,640,645	9,099,339	5,538,010	4,094,286
1948	547	75,568,381	48,446,862	124,015,243	83,593,261	19,842,748	4,919,880	9,655,816	5,907,816	4,039,401
1947	519	71,992,773	48,566,594	120,559,367	77,145,950	18,747,576	4,971,733	9,437,690	5,419,690	3,686,212
1946	519	60,213,552	35,072,592	95,286,144	63,835,344	15,728,749	3,397,749	6,586,968	3,895,968	2,605,374
1945	536	41,216,792	34,956,285	76,173,077	56,846,202	14,038,031	3,008,300	4,631,577	2,400,907	2,309,018
1944	549	37,051,163	33,238,881	70,290,044	54,367,141	13,018,344	2,545,030	3,884,527	2,192,797	2,315,104
1943	556	39,238,096	29,288,336	68,526,432	51,564,039	11,778,538	2,985,542	4,674,122	2,452,069	2,315,137
1942	579	51,644,040	36,982,550	88,626,590	64,028,487	13,990,280	5,714,719	7,478,200	2,582,863	2,315,965
1941	659	46,653,910	28,588,553	75,242,463	51,359,632	11,982,680	2,789,468	4,753,348	2,924,275	2,542,354
1940	666	40,260,777	22,446,029	62,706,806	42,596,249	9,847,880	1,921,556	4,339,218	3,210,961	2,554,019
1939	663	38,326,853	21,721,707	60,048,560	40,873,780	9,913,010	1,625,112	3,873,292	3,141,161	2,404,514
1938	677	36,042,285	19,053,609	55,095,894	37,596,604	9,390,127	1,364,004	2,808,403	2,295,534	1,883,275
1937	690	38,155,438	22,199,736	60,355,174	39,377,533	9,976,537	1,335,660	3,344,873	2,801,695	2,896,674
1936	651	35,300,758	19,578,204	54,878,962	36,530,113	8,630,006	1,283,826	4,282,927	3,534,897	2,768,580
1935	609	30,355,524	16,947,267	47,302,791	31,420,675	7,765,484	871,106	3,477,078	3,001,984	1,744,450
1934	588	27,215,927	14,398,684	41,614,611	28,326,776	6,834,385	770,788	3,072,171	2,634,265	1,243,747
1933	535	21,112,783	10,631,665	31,744,448	22,499,867	5,367,621	592,982	2,345,562	2,069,059	930,139
1932	499	20,594,311	8,497,864	29,092,175	21,732,165	4,669,608	367,652	1,306,012	1,185,338	997,404

**Excluding non-recurring real estate profit.*

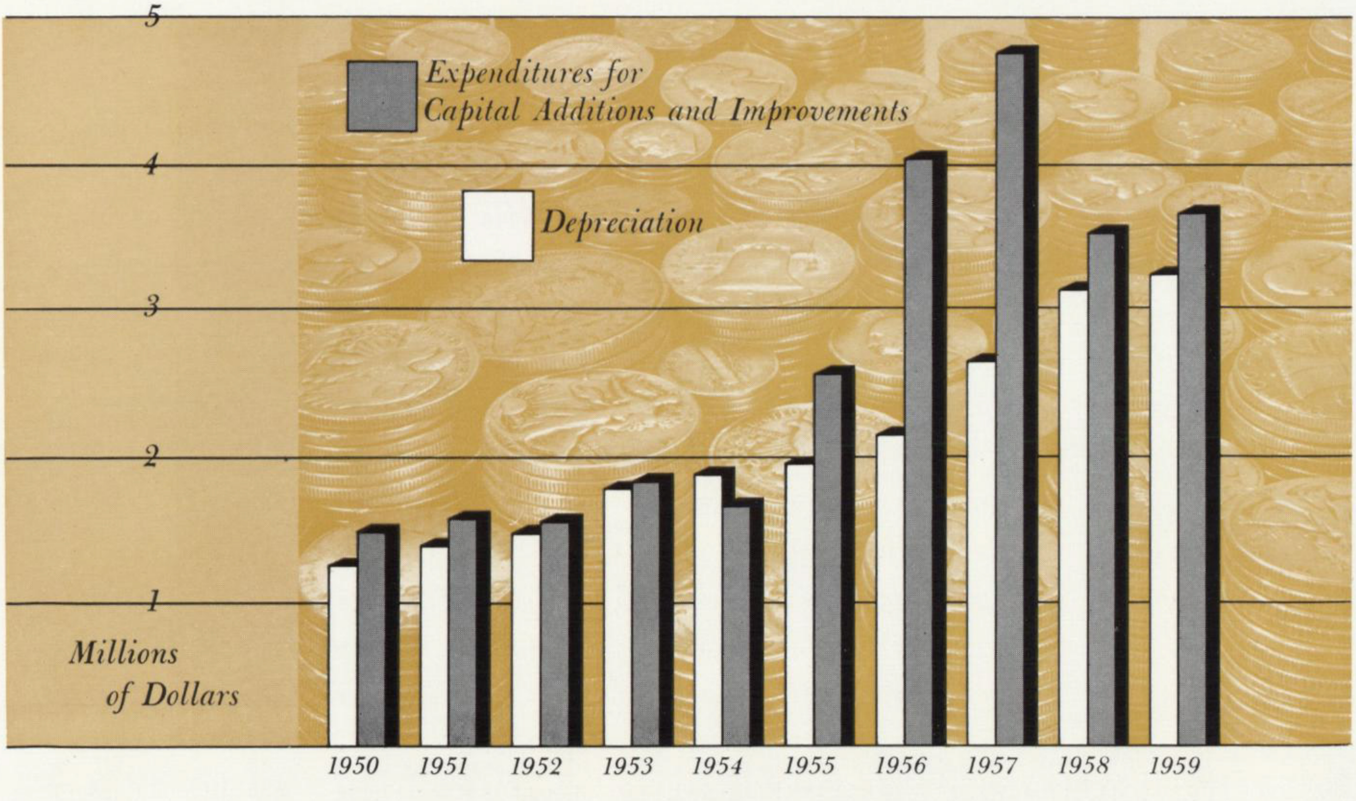
J. F. McElwain Company figures are included in all years; Miles Shoes figures are included from date of consolidation, Oct. 1, 1952.

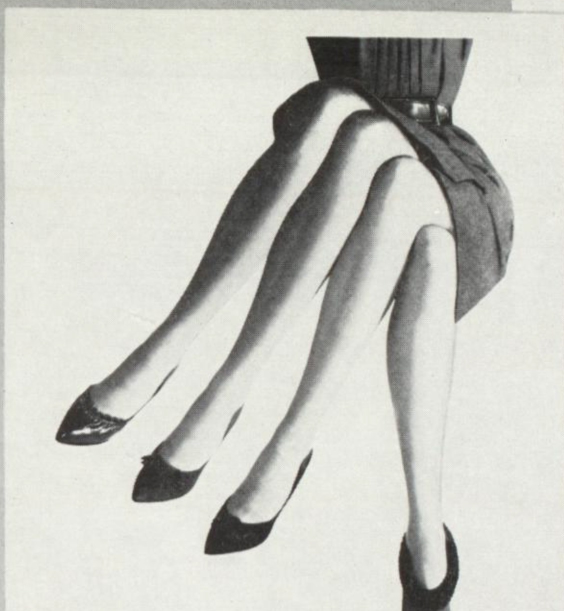
COMPARATIVE INCOME DATA

Year	Total Sales	Net Sales	Net Income	% of Net Income to Total Sales	% of Net Income to Net Sales	Income Available for Common Stock	Per Share of Common Stock	
							Earnings	Dividends Paid
1959	$187,873,324	$151,709,758	$6,287,138	3.35	4.14	$5,637,995	$2.02	$1.35
1958	171,090,828	136,436,124	5,680,639	3.32	4.16	5,025,461	1.80	1.55
1957	166,457,524	130,355,538	5,847,076	3.51	4.49	5,188,831	1.86	1.80
1956	164,151,910	126,124,405	6,112,253	3.72	4.85	5,452,525	1.95	1.80
1955	151,112,929	114,495,706	5,885,692(1)	3.89	5.14	5,225,472(1)(2)	1.87(1)(2)	1.60(2)

(1) Excluding non-recurring real estate profit of $469,039 or 17¢ per share.

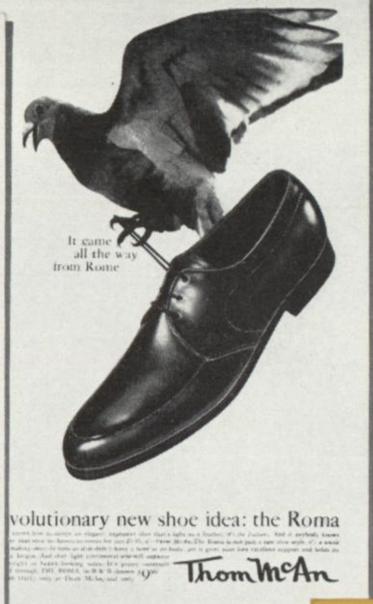
(2) On present capitalization adjusted to give effect to the tax free split-up of common into preferred and common. A stock dividend of 1/20th ($5 par value) of a share of Class B 4% preferred stock was issued in December, 1955 on each share of common stock. Shareholders were advised that the adjusted cost of the common stock was 87.165% of the original cost of the common stock. The annual dividend on this tax free preferred stock dividend was the equivalent of 20¢ a share on the common stock. If present capitalization had been in effect in 1955 the amount of dividends paid on common stock would have been equivalent to $1.60 per share on the common and 20¢ on the preferred stock.





Two legs aren't enough!

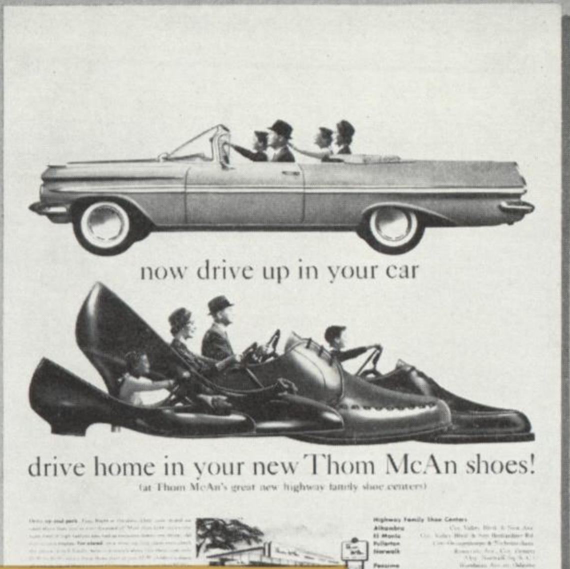
Thom McAn



It came all the way from Rome

volutionary new shoe idea: the Roma

Thom McAn



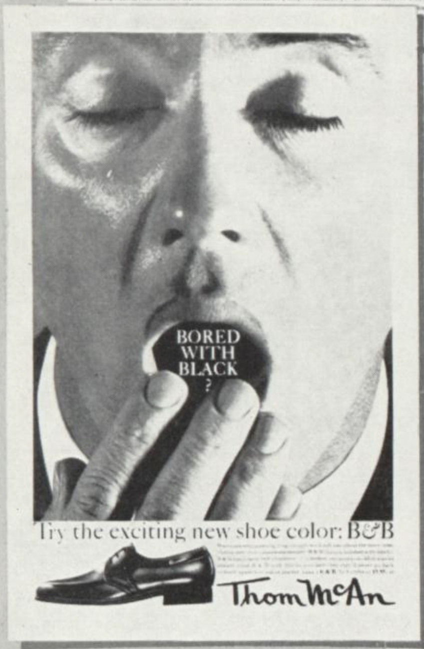
now drive up in your car

drive home in your new Thom McAn shoes!

(at Thom McAn's great new highway family shoe centers)

Thom McAn

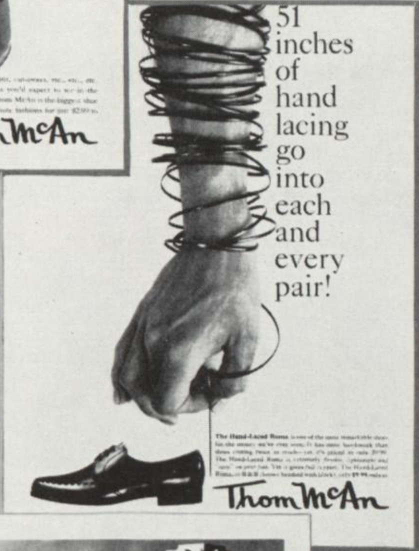
These newspaper advertisements together with similar ones, contributed to Melville's successful 1959 sales campaign



BORED WITH BLACK ?

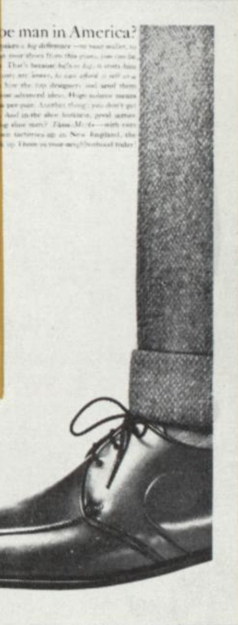
Try the exciting new shoe color: B&B

Thom McAn

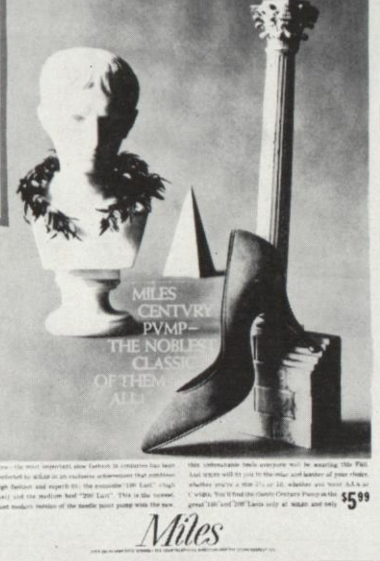


51 inches of hand lacing go into each and every pair!

Thom McAn



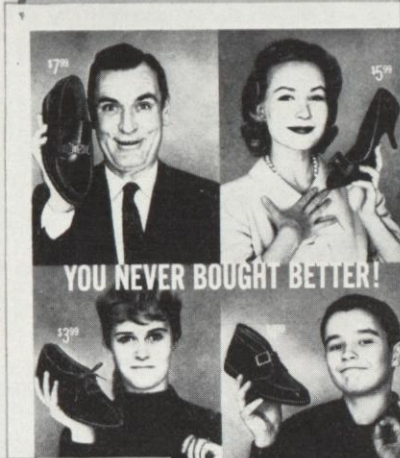
oe man in America?



MILES CENTVRY PVMP—THE NOBLEST CLASSIC OF THEM ALL!

$5.99

Miles



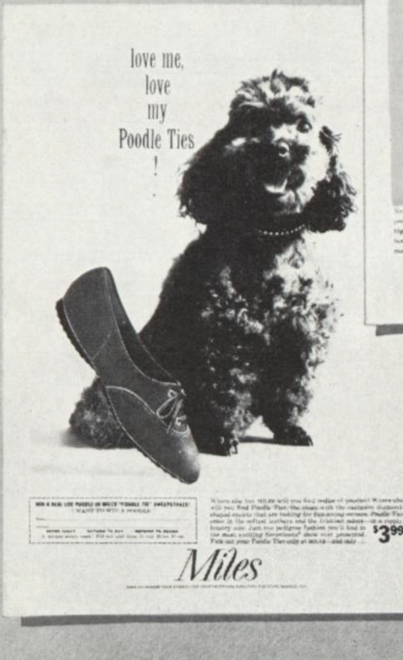
$7.99

$5.99

YOU NEVER BOUGHT BETTER!

$3.99

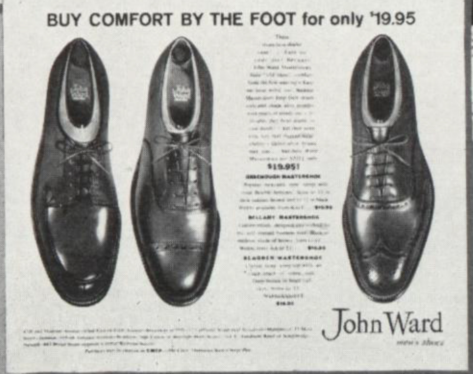
Miles where savings are a family affair!



love me, love my Poodle Ties !

$3.99

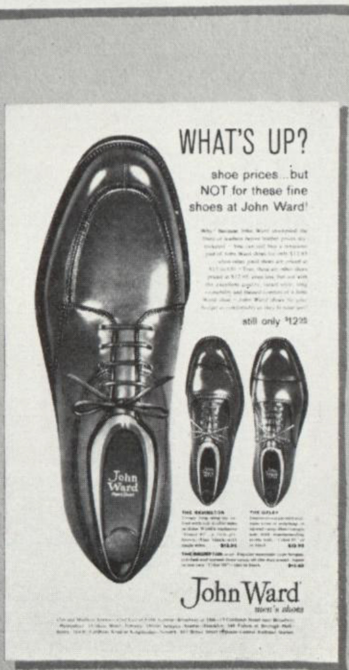
Miles



BUY COMFORT BY THE FOOT for only $19.95

$19.95!

John Ward men's shoes



WHAT'S UP?

shoe prices...but NOT for these fine shoes at John Ward!

still only $12.95

John Ward men's shoes

DESCRIPTION of the BUSINESS

MELVILLE SHOE CORPORATION, one of the largest integrated shoe retailing-manufacturing organizations in the country, operated 11 factories, 3 principal warehouses and, with its subsidiaries, 1110 stores, at the end of 1959. The stores were located in 45 states, the District of Columbia and Puerto Rico. Factories were maintained in New Hampshire and Massachusetts and the warehouses in Massachusetts, New Jersey and New York.

The year 1959 witnessed wide and unprecedented fluctuations in the prices of raw hides. The upward spiral of hide prices, which really started in the Fall of 1958, reached a peak at mid-year of more than twice the prices at the start of 1959. A downward adjustment started in July and continued half-way into November. At the year-end, prices of hides were approximately 15% higher than they were at the beginning of the year. The unsettled and volatile raw material price situation caused a nominal increase in the retail prices of Melville merchandise. This increase was considerably below the rise in raw hide prices.

Facilities for the distribution of shoes and related merchandise to shoppers in large-city, small-city and suburban markets were considerably expanded. The company and its retail subsidiaries have been, and will continue to be, active in opening new stores in shopping centers and on highways throughout America's newly developing suburban areas, capitalizing on the country's rapid population growth and shifting shopping patterns.

During 1959, the three principal warehouses processed and shipped nearly 27 million pairs of footwear, as well as hosiery, handbags and other accessories. From the Worcester, Massachusetts, warehouse come all men's and boys' shoes and accessories for the Thom McAn and John Ward stores. Clifton, New Jersey, supplies the women's and children's merchandise for Thom McAn stores while the Miles stores are supplied with all merchandise from the warehouse in New York City.

As a result of a feasibility study on methods for systematizing and simplifying distribution and accounting procedures, the company plans to install an electronic data processing system in 1961. This method of automation will effect considerable economy and increased efficiency, permitting current personnel to keep abreast of the expanding volume of business and work-load. This data processing installation is in keeping with the company policy of maintaining wherever possible "straight-line" distribution – holding to a minimum the number of operations and costs incurred between factory and consumer.

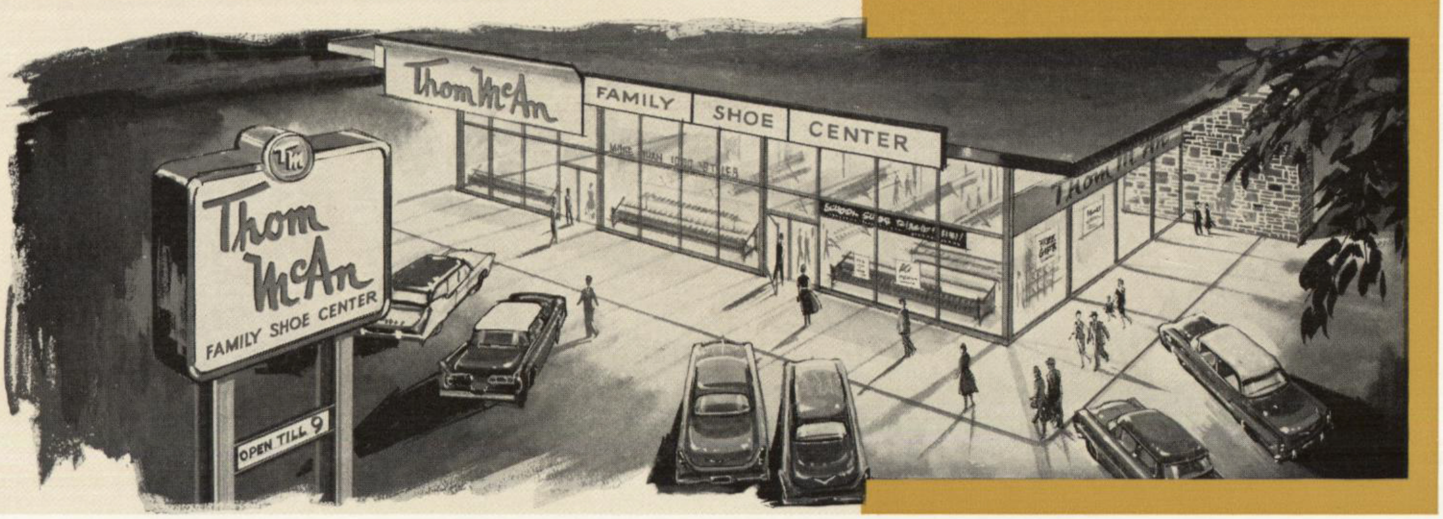
and a BRIEF REVIEW

The founding and basic policy of Melville Shoe Corporation of building shoes to a clear-cut standard of quality rather than shifting quality to meet predetermined prices is one of the key factors in the company's growth and continuing success. Continuing technological advances and improved procedures tend to offset some upward cost spirals so that retail price increases are held to an absolute minimum. This not only permits Melville Shoe and its subsidiaries to remain strongly competitive but aids in holding the line against inflation, a matter of great importance to the national economy.

As of the end of 1959, the corporation had approximately 21,000 common and preferred shareholders. Of the total number, about 85% own 100 shares or less and 99% own less than 1,000 shares.

At the last annual meeting, 84% of the voting shares were represented either in person or by proxy. Such a representation is gratifying to Melville management since it shows the active interest which shareholders take in the corporation. Proxies will be solicited for the annual meeting which is to be held at 10:00 A.M. on Tuesday, April 12, 1960 at the office of the company, 25 West 43rd St., New York. Shareholders are urged to attend the annual meeting in person, if convenient. Management is always glad to receive comments and welcomes an opportunity to provide more information concerning any part of its operations.

LEONARD A. SHEA, *who is retiring this spring as Vice President of Melville Shoe Corporation, joined the company in 1927 as buyer of women's shoes, and later that year participated in the New London, Connecticut, opening of the first Thom McAn store to sell women's and girls' shoes. Shortly, he took over the sales managership of the new family stores. In that post and later as family store General Manager, the position to which he was named in 1945, he earned the approbation of his associates through his vision and persistence in building a group of stores which now numbers more than 350, scattered throughout the country and as far away as Hawaii and Puerto Rico. He was made a Vice President in 1945. Mr. Shea's devoted contribution to this highly successful operation will indeed be missed.*



Retailing . . . Thom McAn Shoe Company

Offices:

EXECUTIVE: 25 WEST 43rd STREET, NEW YORK 36, N. Y.
ACCOUNTING: 44 HAMMOND ST., WORCESTER 10, MASS.

Directors:

ROBERT C. ERB, *Chairman*
H. ALBERT BRODIN
LESTER R. FALLON
ROY S. FOGAS
DAVID W. HERRMANN
DAVID B. MELVILLE
WARD MELVILLE
LEONARD A. SHEA
LAFAYETTE A. TREMBLAY

Officers:

LESTER R. FALLON, *President*

- *Vice-Presidents*

ROY S. FOGAS
RICHARD H. McCARTHEY
LEONARD A. SHEA
WILLIAM J. SMITH
LAFAYETTE A. TREMBLAY

H. ALBERT BRODIN, *Treasurer*
DAVID B. MELVILLE, *Secretary*
HAROLD R. WICKHAM, *Assistant Secretary*

Thom McAn
Thom McAn
Thom McAn

There's fashion and value galore for the whole family at Thom McAn.

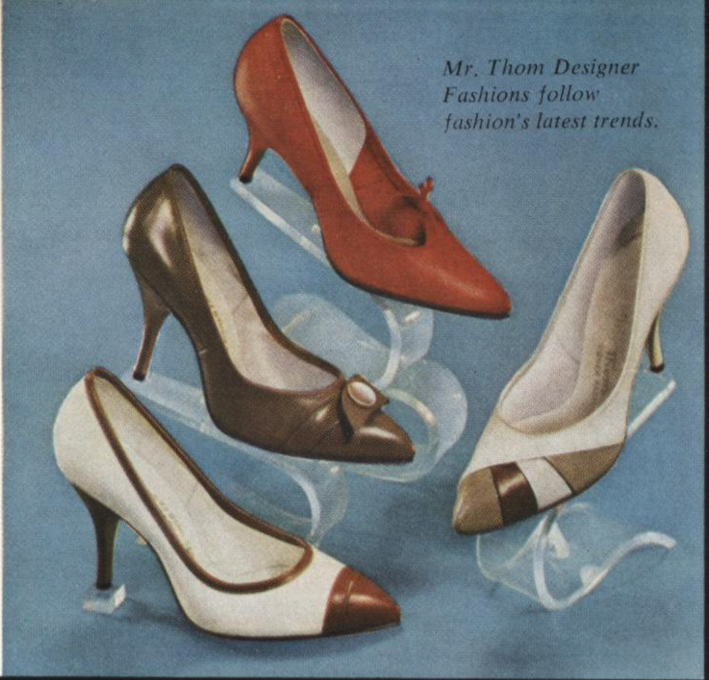
From one store in New York City in 1922 to 844 stores at the end of 1959 in 45 states (including Hawaii), the District of Columbia and Puerto Rico is the growth story of Thom McAn, the principal brand name of Melville Shoe Corporation. The original store featured 27 different styles of men's shoes as compared with more than 1,000 styles which are now available and offered for all members of the family. Of the 844 stores, 509 sell men's and boys' shoes, hosiery and accessories, and 335 sell merchandise for the entire family.

All Thom McAn merchandise continues in the popular price range, with men's shoes priced mostly from \$7.99 to \$12.95, women's from \$2.99 to \$6.99, boys' from \$3.99 to \$6.99, and girls' from \$1.99 to \$4.99.

In addition to these stores, Thom McAn merchandise is distributed through several domestic and foreign accounts, and an extensive line of steel-toe safety work shoes is sold directly through stores and factories coast to coast.

STORE OPERATIONS: Expansion of retail distribution near to but outside of the larger cities continues to be the major operating policy in order to keep abreast of the growing population shift. Of the 60 new Thom McAn stores opened during the year, 28 family stores were located in shopping centers and only one was opened in a downtown market. Twenty-seven drive-in or free-standing family stores were opened along busy highways to bring to 46 at the year's end the total of such units which are operated by subsidiaries. Thom McAn is the pioneer who, among major shoe retailers, initiated the first of such drive-in stores on roadsides and continues to encourage innovation in their design and location. Because of their convenient locations, dramatic designs and private parking facilities, these free-standing stores are producing high store sales volume. Four other stores, all specializing in men's and boys' merchandise, were opened during 1959.

As suburban living increases, the older mid-city shopping areas come in for constant re-evaluation and analysis. Through a sustained program of relocation and rehabilitation, Thom McAn downtown stores are con-

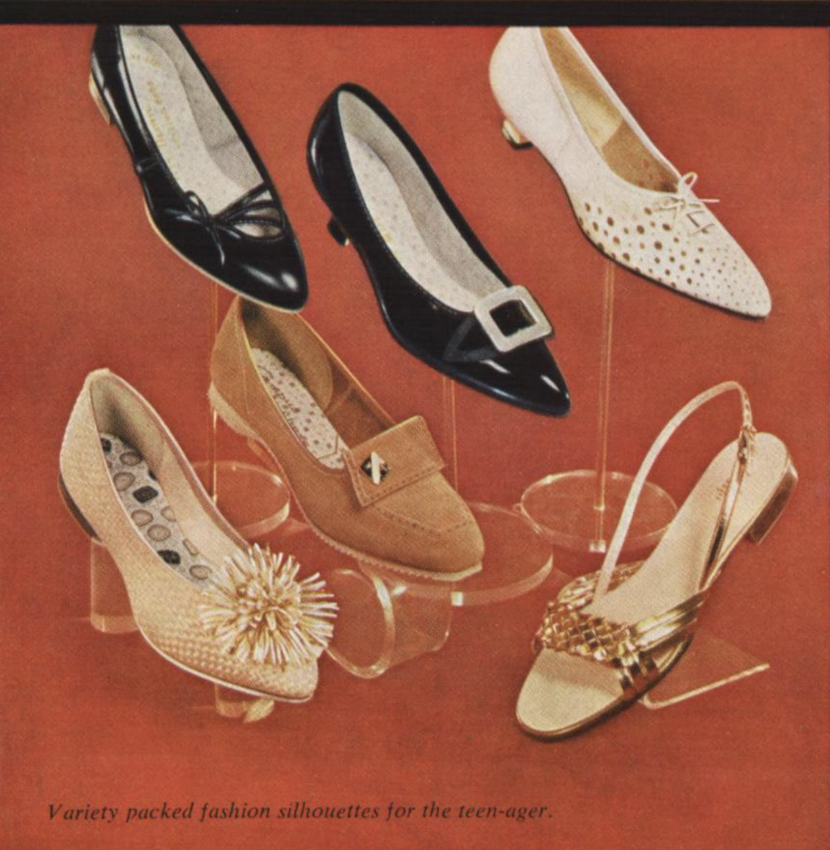


Mr. Thom Designer Fashions follow fashion's latest trends.

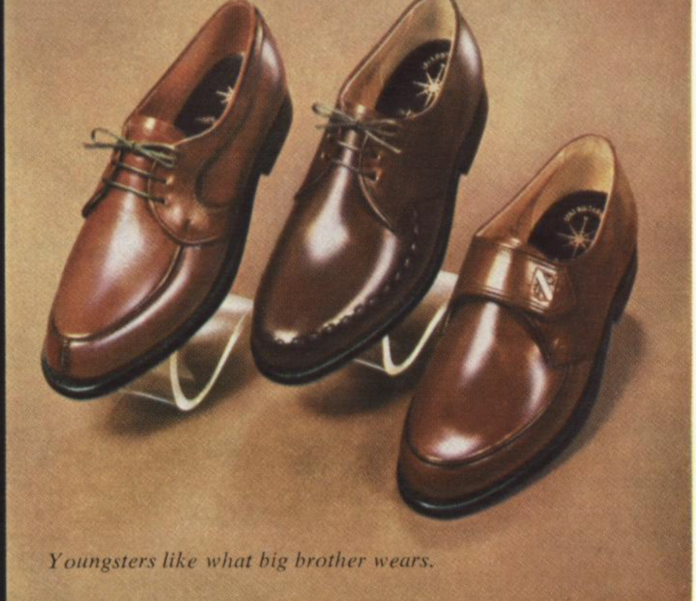
Mr. Thom Designer Fashions new patent leather pets.

FINOS, DUKES, FINE LINES — fashion news for Dad.

Black and white beauties by Pollyanna of Thom McAn.



Variety packed fashion silhouettes for the teen-ager.



Youngsters like what big brother wears.

tinuing to show satisfactory sales volume. Modernization of existing facilities goes hand in hand with the opening of new operations. During 1959 forty-five stores were remodeled, including 12 that were moved to better locations.

Thom McAn's policy of seeking new markets proceeds at a rapid pace. Fourteen new drive-ins and twelve shopping center stores are already opened or projected for opening early in 1960, with more in the planning stage for later in the year.

As noted earlier, Thom McAn welcomed the new 50th State of Hawaii by opening in the fabulous Ala Moana Shopping Center in Honolulu. Another first for Thom McAn was the opening, in November, of a shopping center family store in Rio Piedras, Puerto Rico. Located in the first truly modern shopping center to be opened in that Commonwealth, the store is some eight miles from the old downtown shopping area of San Juan, the capital of the island. On February 25, 1960, the second Thom McAn family store in Puerto Rico opened in Bayamon Shopping Center. These initial three ventures by subsidiaries outside the continental United States have proved successful from the start and more such units are planned.

MERCHANDISING: The growing popularity of the Thom McAn light-weight ROMAS, shoes styled along Italian lines and introduced in 1958, has continued. With many new summer styles added, it is anticipated that the demand for ROMAS will rise to an even higher level in 1960. Sales of these styles have increased so rapidly that an additional factory has been set up to manufacture ROMAS exclusively.

SOFTSHOES, a new type of casual shoes with the same construction as ROMAS, were introduced in 1959 and have proved to be very successful. In addition, the style selection and distribution of work shoes has been greatly expanded, with the result that sales of work shoes are now double what they were a year ago.

With the opening of so many family type stores in all parts of the country, Thom McAn is now a recognized major factor in distinctively styled women's and girls' shoes. Increased sales volume of women's shoes enabled "Mr. Thom," the name denoting our women's style expert, to add construction features which generally improve the quality. The slim look and STILLETOE or double needle toe showed substantial consumer acceptance, while PIN STRIPES and PLEATOES were most successful in the teen-age style market.

Sales during 1959 were generally good. A heavy December volume and sales from new store openings enabled the Thom McAn stores to reach a new pinnacle in sales.

ADVERTISING: Thom McAn continued to be a dominant advertiser in newspapers in its major markets. Separate campaigns were run for men's, women's and children's shoes, with special promotions of gift items for Father's Day and in the Christmas season. Women's shoe advertising increased and appeared in more markets than ever before.

Men's shoe advertising featured ROMAS, SOFTSHOES, B & B (brown brushed with black) and FLEXIBLE BROGUES. Typical advertisements, in greatly enlarged size, were integrated into store window presentations to make a complete promotional package. Thus promoted, these groups of shoes added greatly to Thom McAn's established reputation for style leadership.

To the important market of teenage boys and girls, two highlight features were advertised in television campaigns: PINSTRIPES in the pre-Easter period and CHA-CHA BOOTS at back-to-school time. Both promotions produced gratifying results.

PUBLICITY: General publicity activities in 1959 were focused primarily on two areas, women's shoes and the youth market. The 1959 fall women's shoes emphasizing high fashion at budget prices were shown to over 250 leading fashion editors at Press Week, sponsored by the New York Couture Group. Special events at new store openings included fashion shows and modeling of MR. THOM DESIGNER FASHIONS by local models. News coverage of Thom McAn women's shoes reached millions of customers.

Men's and boys' shoes had wide exposures in the press and were given widespread television publicity as prizes on "Play Ball" and "Touchdown," two programs tied to major league telecasts.

The Thom McAn Historical Shoe Collection had its first public showings to home economics groups and in schools. The filmstrip, produced in 1958, based on this collection and contemporary Thom McAn shoes, continued to be used in some 2,500 schools as a teaching aid.

The Thom McAn Football Trophy for high school students was offered for the tenth season and has become the outstanding scholastic sports award in many of the communities where it is given. Newspaper sponsorship is expected to exceed previous years.

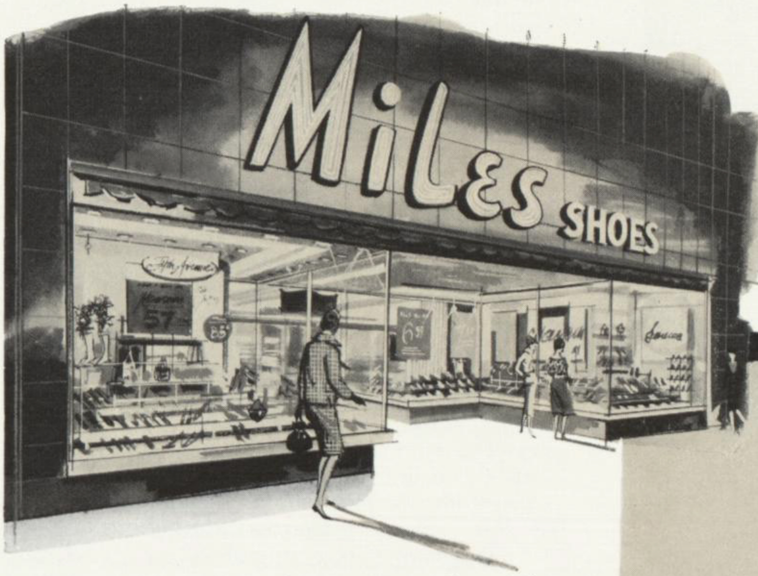
More than 1,800 high schools have agreed to submit candidates for the Thom McAn Leadership Awards, the company's major college scholarship program, for the 1959-1960 school year. This represents an increase of about 200 schools over the previous year. Last year's first place scholarship winners were Vaira Haase of St. Paul and Raymond Scudder of Los Angeles.

PERSONNEL: A comprehensive training program has been sharply augmented and improved by Thom McAn in order to serve customers satisfactorily in the constantly expanding line of relatively larger stores in the family chain. Through this course, called "Salesmanship – The Thom McAn Way," personnel are trained well in advance of their actual need so that they may be fully instructed in all phases of a store's operations. As each new store is opened, full time employment opportunities are provided for at least five people, and promotion to positions of greater responsibility and opportunity are made almost invariably from within the organization.

Along with the newer personnel there is also a hard core of highly valued employees who have been working under the Thom McAn banner for many years. During 1959, 31 people were welcomed into the Quarter Century Club, bringing the membership to a total of 408.

Retailing... Miles Shoes

MILES SHOES, founded in 1917, which with its subsidiaries operated 149 stores, merged into Melville Shoe Corporation in October 1952. Retailing in the eastern, southeastern and midwestern United States as a Melville division, there were 255 Miles stores in operation at the end of 1959, the largest chain of family shoe stores in their area. Miles shoes sell in the popular price ranges: women's mostly from $2.99 to $7.99; men's from $6.99 to $9.95; boys' and girls' from $2.99 to $6.99.



Most of the Miles shoes are purchased from selected, independent manufacturers, with whom the company maintains close and usually long-standing relations and steady production schedules. The J. F. McElwain division is the principal supplier of Miles men's shoes.

Twenty-two stores were opened during 1959, ranging as far south as Jacksonville, Florida. Special emphasis was placed on the outstanding growth areas in the east, such as Long Island and New Jersey, and the suburbs of Washington and Baltimore. A major number of the new stores are located in shopping centers, which are found extremely effective in the distribution of Miles merchandise.

During 1959 four free-standing drive-in units were opened by subsidiaries on roadsides. These units, an important retailing development, successfully supplement the division's other distribution outlets. The drive-in stores, about twice the size of the average Miles floor area, with their own parking, incorporate the division's best thinking on attractive interior and exterior design, with self selection for the family, including a specially arranged section for men.

The Miles stores enjoyed an excellent volume year, with increases coming not only from new stores, but from older ones as well. The merchandising program provided mechanized systems for more efficient methods of retail distribution. In 1959, the spotlight

Executive Offices and Warehouse:

459 WEST 59th STREET, NEW YORK 19, N. Y.

Directors:

MURRAY M. ROSENBERG, *Chairman*
KENNETH K. BERLAND
MEYER BOGORFF
ROBERT C. ERB
ARTHUR B. GOLD
DAVID W. HERRMANN
SPENCER D. OETTINGER
ALFRED L. ROSE
MILES ROSENBERG
SAMUEL H. ROSENBERG

Officers:

MURRAY M. ROSENBERG, *President*
SPENCER D. OETTINGER, *Exec. Vice-Pres.*
SAMUEL H. ROSENBERG, *First Vice-Pres.*
KENNETH K. BERLAND, *Vice-Pres. & Treas.*

- *Vice-Presidents*

NAT ANTLER
SYLVAN BANE
MEYER BOGORFF
JOSEPH B. FRIEDLANDER
ARTHUR B. GOLD
NICHOLAS G. KUHN
VINCENT STURNIOLO

MILES ROSENBERG, *Secretary*

Miles famous Fifth Avenue Fashions.
New lace vamp inserts, pearlized lustre calf,
soft grained leathers, classic spectators are highlights —
all with matching dress handbags.

Men's Impala Slip-on *B & B Oxford* *Bongo Boot*

Impala Jr. Slip-on *Boys' Impala Slip-on* *Boys' Bongo Boot*

Miles exclusive Seventeens, "The Sharpest Flats in Town," with imported hemp casual handbag.

Milestrides for girls, sold with Miles unique "Double Guarantee," features styling just like Big Sister's.

was focused on the "American Family," to provide each member of the family with the most outstanding fashion and value in the popular price field. To maintain pace with the rising level of the American economy, higher priced merchandise was introduced in all lines of footwear, and some lower priced items were de-emphasized, although the accent still is aimed at the mass consumer.

Merchandising of Miles Fifth Avenue Fashion Shoes for women was highlighted by the introduction of the Miles CENTURY opera pumps on both the "100" and "200," the newest narrow toe lasts for different heel heights. Miles SEVENTEENS, the teen-age flat heel shoes, continued to show an increasing upsurge in sales. The MILESTRIDE name again was a standard-bearer of quality and fashion in children's shoes.

Young ideas in men's styling prevailed in men's and boys' dress shoes in 1959. CONTINENTAL CREST, BONGO BOOT and BANDLEADER promotions were responsible for a sharp rise in male footwear sales. Men's hand-sewn shoes proved successful and are being further developed in young men's styling for 1960.

The Miles family looks to 1960 with optimism and confidence. Leases have been signed in most of the major shopping centers being built in the middle Atlantic states. With the addition of free-standing units and certain Main Street locations, Miles stores expect to increase substantially their share of the market.

Melville Realty Company, Inc.

Directors:

ALBERT C. BLUNT 3rd
H. ALBERT BRODIN
LESTER R. FALLON
DAVID B. MELVILLE
ARTHUR PAAR
JAMES O. THOMAS

Officers:

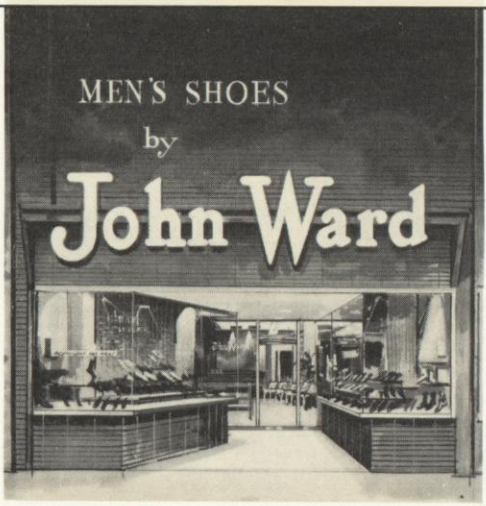
ALBERT C. BLUNT 3rd, *President*

• *Vice Presidents*
SPENCER D. OETTINGER
THOMAS S. ROTHWELL
LEONARD A. SHEA
JAMES O. THOMAS

H. ALBERT BRODIN, *Treasurer & Assistant Secretary*
DAVID B. MELVILLE, *Secretary*
FRANK SOKOL, *Assistant Treasurer*

• *Assistant Secretaries*
NAT ANTLER
BERTHA K. SMITH
HAROLD R. WICKHAM

ARTHUR PAAR, *Special Consultant*



Gibson

Executive Offices:

26 EAST 42nd ST., NEW YORK 17, N. Y.

JOHN J. GAVIN

Directors:

WARD MELVILLE, *Chairman*
H. ALBERT BRODIN
ROBERT C. ERB
JOHN J. GAVIN
DAVID B. MELVILLE

Officers:

JOHN J. GAVIN, *President*
DAVID B. MELVILLE, *Vice-President & Secretary*
H. ALBERT BRODIN, *Treasurer*
HAROLD R. WICKHAM, *Assistant Secretary*

Retailing...

John Ward Men's Shoes

JOHN WARD Men's Shoes, the company's original chain of stores, had 1959 sales in all categories of merchandise exceeding those of the previous year. The John Ward stores retail three groups of men's shoes, hosiery and other accessories.

The John Ward EXECUTIVE series of shoes retail from $10.95 to $16.95; the patented construction flexible MASTERSHOES are priced at $19.95; and a line of stout brogues, the "400" series, at $24.95.

The current Continental influence in men's clothing has had a very definite effect on the appearance and styling of men's shoes. John Ward's interpretation of this style change has resulted in the production of lasts and shoes very narrow in contour, with notably fine upper detailing and pronouncedly close sole edge trims.

The new shorter trouser leg, for instance, is responsible for the adoption by John Ward of the "High Riser" which features a higher instep pattern and is adaptable to both street and casual shoes.

An important style feature in 1959 was the development of darker tones of brown shoes with black edge trims and black inserts, geared to match the darker shades of suitings which still seem to be gaining in popularity.

During the year John Ward closed a store in the Flatbush area of Brooklyn, N. Y. At the end of 1959 there were 11 John Ward stores in New York, Hempstead, L. I., Newark and Philadelphia.

Despite several price increases at the factory level during the year, John Ward was able to maintain its major retail prices through forward buying and merchandising. At this time it appears that no advance in the selling prices will be necessary during the first six months of 1960.

John Ward
John Ward
Peyton

Delano

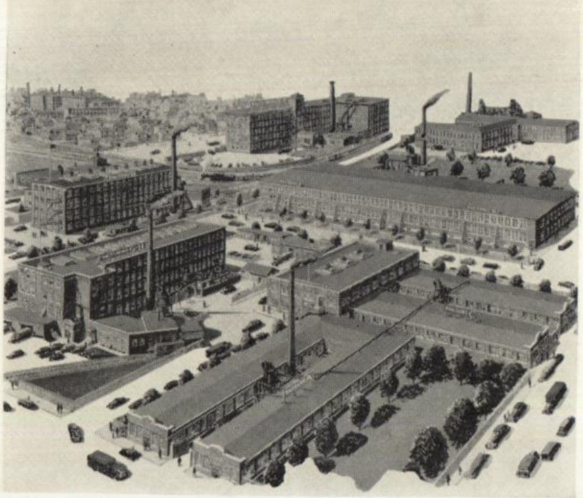
During the year, two of John Ward's valued service veterans – Sam Kall and Ed Byrnes – reached the retirement age.

Mr. Kall was employed by the company on September 21, 1920 and at the time of his retirement he was the oldest employee in point of service with John Ward. Throughout his career he worked in many of the John Ward stores, including the old store on Broadway at 38th Street that sold $1,000,000 worth of shoes a year. His last store was in Jamaica, L. I.

Mr. Byrnes sold shoes in John Ward stores for 31 years.

Factories: NASHUA, N. H. (4), MANCHESTER, N. H. (5), ATHOL, MASS. (2)

Offices: 103 TEMPLE ST., NASHUA, N. H.; 10 HIGH ST., BOSTON 10, MASS.



Directors:

JOHN R. DeWITT
ROBERT C. ERB
RANDALL D. ESTEN
FRANCIS H. GLEASON
JAMES C. MacKAY
WARD MELVILLE
JOSEPH L. MERRILL
ROBERT A. T. NELSON
SEWARD M. PATERSON
RICHARD E. WEST

Officers:

FRANCIS H. GLEASON, *President*
RICHARD E. WEST, *Executive Vice-President*

• *Vice-Presidents*
JOHN R. DeWITT
JAMES C. MacKAY
ROBERT A. T. NELSON
SEWARD M. PATERSON

RANDALL D. ESTEN, *Treasurer & Secretary*
CLINTON P. WALLACE, *Controller*
AGNES H. FISCHER, *Assistant Treasurer*

Manufacturing... J. F. McElwain Company

THE J. F. MCELWAIN COMPANY became an integral part of the Corporation in 1939. This division, which manufactures men's and boys' shoes for Thom McAn and Miles, has worked in closest harmony with Melville Shoe Corporation since it was organized primarily for that purpose in 1922. The McElwain division also produces private brand footwear for others, including the military departments of the government at times.

Research activities of the McElwain division made substantial progress during the year, with the result that new methods, new machinery and new materials were developed. The division keeps continually informed on the activities of machine suppliers and collaborates constantly with the machine manufacturers in experimental work on new and more nearly automatic machines. All of this work is in addition to the company's own positive program of machine and methods research.

In line with the above activities, the company furthered the program of building a young, intelligent and well-trained organization, one which will be ready and able to adjust quickly to changes in technology and to meet the problem of expanding manufacturing activities.

During 1959, the outstanding success of men's dress lightweight flexible footwear continued at an accelerated pace. These shoes are made by the cement process of sole attachment; they combine the features of trim, sleek appearance with lightness and flexibility.

Today J. F. McElwain Company is far and away the largest producer of men's dress shoes of cement construction and has converted a second factory to this method. There is every indication that the inclination toward this type of highly styled footwear will continue and accelerate. Such a style trend should increase the over-all per capita consumption of men's dress shoes, which would be greatly to the advantage of the company and the industry.

1.

1. *(opposite page) Shoes in process along the McElwain innovation – the U-shaped production line which puts this entire factory on one floor for economical supervision.*

2. *Skilled hands stitch the upper of a Thom McAn DUKE.*

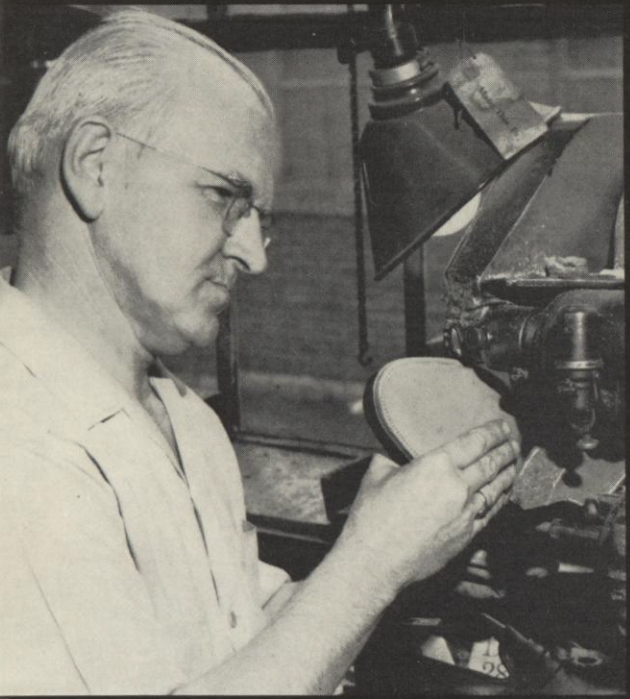
3. *Lasting department foreman Wilfred Boilard has inspected quality of workmanship for 18 years.*

4. *John Dobens' 30 years of experience assure proper alignment of upper assembly on the last.*

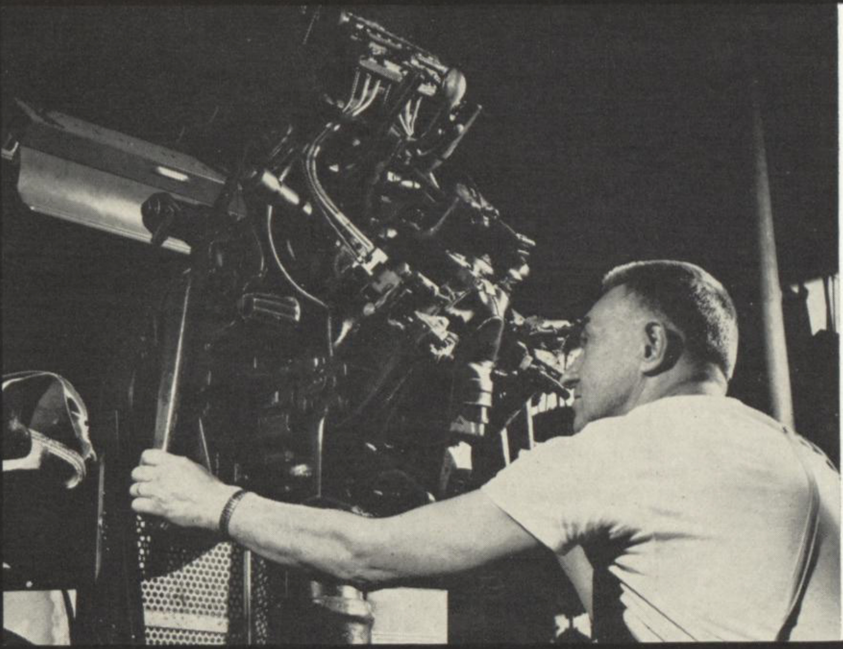
5. *One of the operations requiring the most skill – sole edge trimming. For 30 years, Norman Desclos has turned out perfectly matched, symmetrical pairs.*

6. *Agnes Vandalosk packs DUKES for daily shipment.*

3.



5.



4.

2.

6.

Thom McAn **844 STORES**

in 491 Cities in 45 States, District of Columbia and Puerto Rico. Leased Departments (*), Agencies (**)

Miles SHOES **255 STORES**

in 153 Cities in 15 States and the District of Columbia

John Ward **11 STORES**

Newark · New York (7) · Philadelphia (2) · Hempstead

MELVILLE SHOE CORPORATION

STORES EXTEND BEYOND THE

Hawaiian Islands

Thom McAn STORES:

ALABAMA (12)
- Birmingham (4)
- Decatur
- Florence
- Huntsville
- Mobile
- Montgomery (2)
- Prichard
- Tuscaloosa

ARIZONA (6)
- Mesa
- Phoenix (3)
- Tucson (2)

ARKANSAS (2)
- Fort Smith
- Little Rock

CALIFORNIA (58)
- Alameda
- Alhambra
- Bakersfield
- Compton
- Costa Mesa
- Daly City
- El Monte
- Fresno
- Fullerton
- Garden Grove
- Glendale
- Hayward
- Hollywood
- Huntington Park
- Lakewood
- Long Beach (2)
- Los Angeles (4)
- Modesto
- Napa
- National City
- North Hollywood
- Norwalk
- Oakland (2)
- Pacoima
- Palo Alto
- Pasadena
- Pomona
- Redwood City
- Richmond
- Riverside
- Sacramento (2)
- San Bernardino
- San Diego
- San Francisco (3)
- San Jose (2)
- San Leandro
- San Mateo (2)
- Santa Ana (2)
- Santa Barbara
- Santa Monica
- Santa Rosa
- Stockton
- Van Nuys (2)
- Ventura
- West Covina
- Whittier

COLORADO (5)
- Denver (3)
- Lakewood
- Westminster

CONNECTICUT (22)
- Bridgeport (2)
- Bristol
- Danbury
- Derby
- East Hartford
- Hamden
- Hartford (2)
- Meriden
- Middletown
- New Britain
- New Haven (2)
- New London
- Norwich
- South Manchester
- South Norwalk
- Stamford
- Torrington**
- Waterbury (2)

DELAWARE (2)
- Wilmington (2)

District of COLUMBIA (4)
- Washington (4)

FLORIDA (42)
- Bradenton
- Coral Gables
- Daytona Beach
- Fort Lauderdale (3)
- Gainesville
- Hialeah
- Homestead
- Jacksonville (7)
- Largo
- Key West
- Lakeland (2)
- Miami (5)
- Miami Beach
- Orlando (2)
- Panama City
- Pensacola (2)
- Sarasota
- St. Petersburg (3)
- Tallahassee (2)
- Tampa (3)
- West Palm Beach
- Winter Haven

GEORGIA (10)
- Albany
- Atlanta (2)
- Augusta (2)
- Columbus
- East Point
- Macon
- Rome
- Savannah

HAWAII (1)
- Honolulu

IDAHO (1)
- Boise

ILLINOIS (44)
- Aurora
- Berwyn
- Bloomington
- Blue Island
- Champaign*
- Chicago (22)
- Chicago Heights
- Danville*
- Decatur
- Galesburg
- Harvey
- Hillside
- Joliet
- Kankakee
- Moline
- Mt. Prospect
- Norridge
- Peoria
- Quincy
- Rockford
- Rock Island
- Springfield
- Waukegan

INDIANA (20)
- Anderson
- Elkhart
- Evansville
- Fort Wayne (2)
- Gary (2)
- Hammond (2)
- Indianapolis (5)
- Lafayette
- Marion
- Muncie (2)
- Richmond
- South Bend

IOWA (2)
- Davenport
- Des Moines

KANSAS (1)
- Wichita

KENTUCKY (11)
- Ashland*
- Covington
- Lexington
- Louisville (5)
- Newport
- Owensboro
- Paducah

LOUISIANA (14)
- Alexandria
- Baton Rouge
- Bossier City
- Gretna
- Lafayette
- Lake Charles (2)
- Metairie
- Monroe
- New Orleans (4)
- Shreveport

MAINE (2)
- Lewiston
- Portland

MARYLAND (21)
- Baltimore (10)
- College Park
- Cumberland
- Easton
- Forestville
- Frederick
- Glen Burnie
- Hagerstown (2)
- Rockville
- Silver Spring
- West Hyattsville

MASSACHUSETTS (47)
- Attleboro
- Boston (11)
  - Allston
  - Boston (3)
  - Dorchester (2)
  - East Boston
  - Hyde Park
  - Roslindale
  - Roxbury
  - South Boston
- Brockton
- Cambridge
- Chelsea
- Everett
- Fall River
- Fitchburg
- Framingham
- Haverhill
- Holyoke
- Lawrence
- Lowell
- Lynn (2)
- Malden
- Medford
- Natick
- New Bedford (2)
- Norwood**
- Peabody
- Pittsfield
- Quincy
- Salem
- Saugus
- Somerville
- Springfield (3)
- Stoneham
- Wakefield
- Waltham
- Woburn
- Worcester (3)

MICHIGAN (39)
- Adrian
- Ann Arbor (2)
- Battle Creek
- Dearborn
- Detroit (10)
- East Detroit
- Ferndale
- Flint
- Grand Rapids
- Hamtramck
- Highland Park
- Inkster
- Jackson
- Kalamazoo
- Lansing (2)
- Lincoln Park
- Livonia
- Monroe
- Muskegon
- Oak Park
- Pontiac (2)
- Port Huron
- River Rouge
- Saginaw
- West Dearborn
- Wyandotte (2)

MINNESOTA (3)
- Duluth
- Minneapolis
- St. Paul

MISSISSIPPI (7)
- Biloxi*
- Hattiesburg
- Jackson (2)
- Meridian
- Natchez
- Vicksburg

MISSOURI (21)
- Beverly Hills
- Kansas City (6)
- Kirkwood
- Maplewood
- St. Ann
- St. Joseph
- St. Louis (10)

MONTANA (1)
- Great Falls

NEBRASKA (2)
- Omaha (2)

NEW HAMPSHIRE (2)
- Manchester
- Portsmouth

NEW JERSEY (52)
- Asbury Park
- Atlantic City
- Bayonne
- Bergenfield
- Bloomfield
- Camden
- Clifton
- Dover
- East Brunswick
- Elizabeth
- Fords
- Hackensack (2)
- Harrison
- Hazlet
- Hoboken
- Irvington
- Jersey City (4)
- Linden
- Maple Shade
- Middletown
- Morristown
- Mt. Ephraim
- Neptune
- Newark (4)
- New Brunswick
- North Arlington
- Orange
- Paramus (3)
- Passaic
- Paterson
- Perth Amboy
- Plainfield
- Ramsey
- Red Bank
- Somerville
- Trenton
- Union (2)
- Union City
- Watchung
- Wayne
- West New York
- West Orange

NEW MEXICO (1)
- Albuquerque

NEW YORK (145)
- Albany (2)
- Amsterdam
- Babylon
- Bay Shore
- Binghamton
- Buffalo (7)
- Cheektowaga
- Clarence
- Commack
- Dewitt
- Elmira
- Endicott
- Freeport
- Glens Falls
- Hempstead
- Hicksville
- Huntington
- Ithaca
- Jamestown
- Kenmore
- Lake Success
- Levittown
- Lynbrook
- Manhasset
- Massapequa Park
- Massena
- Mount Vernon
- Newburgh
- New Hartford
- New Rochelle
- New York (85)
  - Manhattan (20)

Puerto Rico

and subsidiary companies

CONTINENTAL UNITED STATES AS OF DECEMBER 31, 1959: *Hawaii and Puerto Rico*

- Bronx (15)
- Brooklyn (28)
- Queens (19)
- Richmond (3)

Niagara Falls (2)
Patchogue
Peekskill (2)
Plainview
Port Chester
Poughkeepsie (2)
Rochester (2)
Rockville Centre
Roosevelt Field
Schenectady
Syracuse (2)
Troy
Utica (2)
Valley Stream
White Plains
Yonkers (2)

NORTH CAROLINA (13)
Asheville
Charlotte (3)
Durham
Greensboro
High Point
Jacksonville
Raleigh
Statesville**
Wilmington
Winston-Salem (2)

OHIO (63)
Akron (2)
Alliance
Ashtabula
Barberton
Canton (2)
Cincinnati (5)
Cleveland (13)
Columbus (7)
Cuyahoga Falls
Dayton (4)
Euclid
Fairborn
Hamilton (2)
Lima
Lorain (2)
Mansfield
Maple Heights
Middletown
North College Hill
Norwood
Portsmouth (2)
Sandusky
Springfield (2)
Steubenville
Tallmadge
Toledo (3)
Warren (2)
Youngstown (2)

OKLAHOMA (2)
Oklahoma City
Tulsa

OREGON (2)
Portland
Salem

PENNSYLVANIA (56)
Abington
Allentown
Altoona
Baden
Beaver Falls
Braddock
Bridgeville
Chester
Erie (2)
Greensburg
Harrisburg
Hazleton
Homestead
Johnstown
Lemoyne
Levittown
McKeesport
Monroeville
Natrona Heights
New Castle
New Kensington
Philadelphia (19)
Pittsburgh (5)
Pottsville
Reading
Scranton
Sharon
Shillington
Uniontown
Upper Darby
Wilkes-Barre
York (2)

PUERTO RICO (1)
Rio Piedras

RHODE ISLAND (7)
Newport
Pawtucket
Providence (2)
Westerly
West Warwick
Woonsocket

SOUTH CAROLINA (5)
Charleston
Charleston Heights
Columbia
Greenville
Spartanburg

TENNESSEE (8)
Chattanooga
Johnson City
Knoxville
Madison
Memphis (3)
Nashville

TEXAS (52)
Abilene
Austin (3)
Baytown
Beaumont (2)
Brownsville
Corpus Christi (2)
Dallas (8)
El Paso (2)
Fort Worth (3)
Galveston
Houston (8)
Laredo (2)
Lubbock
McAllen
Midland
Pasadena
Port Arthur (2)
San Angelo
San Antonio (7)
Tyler
Victoria
Waco
Wichita Falls

UTAH (4)
Ogden
Provo
Salt Lake City (2)

VERMONT (1)
Burlington

VIRGINIA (13)
Falls Church
Harrisonburg
Lynchburg
Newport News
Norfolk (2)
Portsmouth (2)
Richmond (3)
Roanoke
Warwick

WASHINGTON (4)
Everett
Seattle
Spokane
Tacoma

WEST VIRGINIA (5)
Charleston
Clarksburg
Huntington
Parkersburg
Wheeling

WISCONSIN (8)
Appleton
Madison
Milwaukee (4)
Oshkosh
West Allis

Miles STORES:

ALABAMA (1)
Birmingham

CONNECTICUT (8)
Bridgeport
Danbury
East Hartford
Hamden
Meriden
South Norwalk
Stamford
Stratford

DELAWARE (2)
Newark
Wilmington

District of COLUMBIA (2)
Washington (2)

FLORIDA (3)
Coral Gables
Jacksonville
West Palm Beach

GEORGIA (1)
Marietta

MARYLAND (9)
Baltimore (2)
District Heights
Dundalk
Essex
Glen Burnie
Hyattsville
Laurel
Rockville

MASSACHUSETTS (1)
Pittsfield

NEW JERSEY (53)
Asbury Park
Bayonne
Belleville
Bergenfield
Bloomfield
Camden
Clifton (2)
East Paterson
Edison Township
Elizabeth
Englewood
Fairlawn
Hackensack
Hoboken
Irvington
Jersey City (5)
Linden
Long Branch
Morristown
Newark (5)
New Brunswick
North Brunswick
Orange
Paramus
Passaic
Paterson
Perth Amboy
Plainfield
Rahway
Ramsey
Red Bank
Somerville
South River
Springfield
Toms River
Trenton (2)
Union
Union City
Vineland
Watchung
West New York
West Orange
Westwood

NEW YORK (137)
Albany (3)
Amsterdam
Babylon (2)
Bay Shore
Bethpage
Centereach
Commack
Delmar
East Syracuse
Eggertsville
Elmira
Franklin Square
Freeport
Glen Cove
Glens Falls
Gloversville
Greenburgh
Great Neck
Hempstead
Hicksville
Kingston
Lake Success
Latham
Levittown (2)
Lynbrook
Massapequa Park
Mount Vernon
Middletown
Newburgh
New Rochelle
New York (83)

- Manhattan (19)
- Bronx (15)
- Brooklyn (26)
- Queens (21)
- Richmond (2)

Niagara Falls
Patchogue
Peekskill
Plainview
Port Chester
Poughkeepsie
Riverhead
Rochester (2)
Roosevelt Field
Schenectady
Troy
Utica
Valley Stream
Wantagh
West Islip
West Seneca
White Plains
Yonkers (2)

NORTH CAROLINA (6)
Asheville
Charlotte
Greensboro
Hickory
Wilson
Winston-Salem

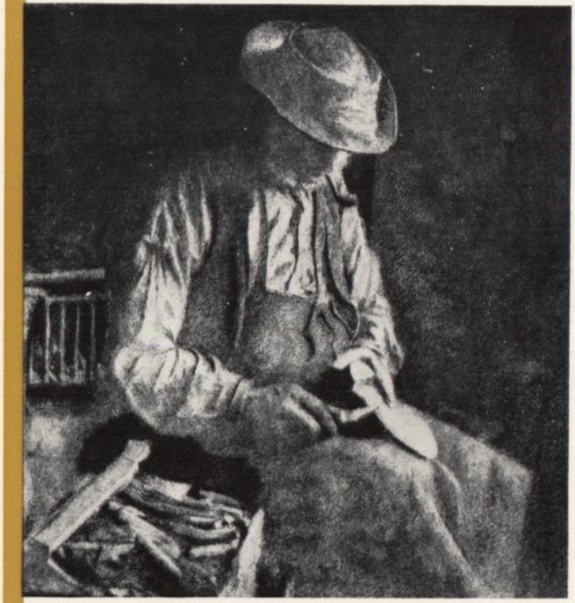
OHIO (11)
Cleveland (2)
Columbus
Euclid
Lorain
Maple Heights
Mayfield Heights
Medina
Parma
University Heights
Willowick

PENNSYLVANIA (14)
Broomal
Easton
Erie
Harrisburg
Havertown
Meadville
Norristown
Philadelphia (2)
Pottsville
Scranton
Wilkes-Barre
Williamsport
York

SOUTH CAROLINA (2)
Florence
Greenville

TENNESSEE (1)
Chattanooga

VIRGINIA (4)
Clarendon
Falls Church
Harrisonburg
Lynchburg



46th *Annual Report*

1959

MELVILLE SHOE CORPORATION